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WRB Refining LP

A Partnership Between Phillips 66 and Cenovus Energy

Wood River Refinery
P.O. Box 76
900 South Central Avenue
Roxana, Illinois 62084

November 22, 2021

Gregory Ochs
Director, Central Region
Pipeline Hazardous Materials Safety Administration
901 Locust Street
Kansas City, MO 64106

RE: CPF No. 3-2021-028-NOPV

Dear Mr. Ochs:

WRB Refining LP (WRB) received your letter dated November 2, 2021 regarding PHMSA's inspection of our regulated crude oil pipe and tanks at Wood River Refinery located in Roxana, IL that occurred from February 10, 2020 through September 11, 2020. This letter is in response to the Notice of Probable Violation (NOPV) that resulted from that inspection. WRB is not contesting the violations alleged in the NOPV but submits these responses to each of the concerns along with additional information as a basis to mitigate the proposed civil penalty.

By submitting this response, WRB does not waive any right, privilege, or objection that it may have in any separate or subsequent proceeding related in any way to the information provided in this response.

Below are the items that PHMSA identified and WRB's response to each of the items.

1. **§ 195.302 General requirements.**
(a) Except as otherwise provided in this section and in § 195.305(b), no operator may operate a pipeline unless it has been pressure tested under this subpart without leakage. In addition, no operator may return to service a segment of pipeline that has been replaced, relocated, or otherwise changed until it has been pressure tested under this subpart without leakage.

PHMSA Concern:

WRB failed to pressure test three pipe segments at its Wood River facility

before operating the pipeline. Specifically, WRB operated its fill lines for Tanks A82, A83 and A84 without pressure testing. PHMSA reviewed WRB's "DOT Regulated Pipe Design Info and MOP Determination" records, which the operator maintains to indicate which lines have been pressure tested without leakage. The records reviewed did not include any information about pressure testing without leakage prior to operation of the fill lines for Tanks A82, A83, and A84. WRB failed to produce any evidence that the fill lines for Tanks A82, A83, and A84 had been pressure tested prior to operation. Therefore, WRB failed to comply with the regulatory requirements of § 195.302(a).

WRB Response:

WRB has completed the necessary tasks associated with item #1 listed above. Tank A82 fill line piping was successfully hydrostatically tested on 4-12-2021. Tank A83 fill line piping was successfully hydrostatically tested on 5-13-2021. Tank A84 fill line piping was successfully hydrostatically tested on 6-4-2021. Documentation associated with each hydrostatic test will be provided upon request or as directed by the final Compliance Order.

2. **§ 195.310
Records.**
 - (a)
 - (b) **The record required by paragraph (a) of this section must include:**
 - (1) **The pressure recording charts;**

PHMSA Concern:

WRB failed to retain records of each pressure test for its Keystone mainline relief pipeline as required. Under § 195.310(a), an operator must retain the record as long as the facility tested is in use. This record, as required by § 195.310(b)(1), must include pressure recording charts. WRB failed to retain any pressure recording charts for its Keystone mainline relief pipeline.

WRB Response:

WRB has taken actions necessary to address the item #2 listed above. The Keystone mainline relief line was successfully re-hydrostatically tested on April 27, 2021. The original pressure test was conducted prior to May 19, 2010 as demonstrated during the inspection while reviewing the "Mechanical Completion/Mechanical Checklist", item #1 and "Underground Piping Inspection Checklist" item #5. Both dated May 19, 2010. Records associated with these actions have been maintained as required by applicable regulations.

3. **§ 195.402 Procedural manual for operations, maintenance, and emergencies.**
 - (a) **General. Each operator shall prepare and follow for each pipeline**

system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies. This manual shall be reviewed at intervals not exceeding 15 months, but at least once each calendar year, and appropriate changes made as necessary to insure that the manual is effective. This manual shall be prepared before initial operations of a pipeline system commence, and appropriate parts shall be kept at locations where operations and maintenance activities are conducted.

PHMSA Concern:

WRB failed to prepare and follow a manual of written procedures for conducting normal operations and maintenance activities. Specifically, WRB did not prepare a manual of formal procedures until April 30th, 2019, when WRB also submitted to PHMSA for an operator identification number. WRB had been operating its Ozark and Capwood relief line since 1967, and its Keystone Relief line since 2010.

WRB Response:

WRB completed this item on April 30, 2019, prior to the PHMSA inspection. WRB had applicable operations and maintenance procedures in place prior to April 2019, however, they were not formally aligned with 195.402 requirements in entirety until April 2019.

4. **§ 195.452 Pipeline integrity management in high consequence areas. (a)**
(b) What program and practices must operators use to manage pipeline integrity?

Each operator of a pipeline covered by this section must:

- (1) Develop a written integrity management program that addresses the risks on each segment of pipeline in the first column of the following table no later than the date in the second column:**

PHMSA Concern:

WRB failed to develop a written integrity management program for its Roxana, Illinois facility located within a High Population High Consequence Area (HCA). Specifically, WRB did not develop and implement an integrity management program within 1 year after its Capwood and Keystone relief lines and associated facilities began operations as a covered pipeline segment serving pressure relief for the Keystone pipeline. WRB did not develop its written integrity management program until April 30th, 2019, when WRB also submitted to PHMSA for an operator identification number. WRB had been operating its Ozark and Capwood relief line since 1967, and its Keystone Relief line since 2010.

WRB Response:

WRB completed this item on April 30, 2019, prior to the PHMSA inspection. WRB had an integrity management program in place prior to April 2019, however, it did not formally align with 195.452 requirements in entirety until April 2019.

WRB follows IP-66 Integrity Management Plan. Many of the procedures referenced in IP-66 were in place before April 2019.

Policy	Title	First rev date	Current rev info
S11.05	MOC-Management of Change Policy	May 1995	Rev 13 Aug 2021
IP-15	In-Service Piping Inspection	Rev 8 Nov 2007	Rev 21 Dec 2020
IP-16	Storage Tanks	Rev 6 June 2008	Rev 12 Oct 2020
IP-36	Inspection Work Requests (IWRs)	Rev 5 Nov 2007	Rev 19 Jan 2021
IP-58	Piping-Soil to Air Interface Inspections	Jan 2019	Rev 0
S 9.22	Operator Rounds	Dec 2013	Rev 3 June 2021
S14.07	Qualifications of Individuals Operating Regulated Systems	Dec 2017	Rev 4 Oct 2021

Leak history records were shown to PHMSA inspectors at the time of the inspection. Asset integrity of the applicable facility piping and tanks has been successfully demonstrated as evident in the 10-year leak history documentation.

The regulated breakout tanks have been in an API 653 inspection program since 1992, as reviewed during the inspection on the “Breakout Tank Data” forms.

5. **§ 195.505 Qualification program.**
Each operator shall have and follow a written qualification program. The program shall include provisions to...

PHMSA Concern:

WRB failed to have and follow a written qualification program. Specifically, WRB did not prepare and follow a written qualification program until April 30, 2019, when WRB also submitted to PHMSA for an operator identification number. WRB had been operating its Ozark and Capwood relief line since 1967, and its Keystone Relief line since 2010.

WRB Response:

WRB completed this item on April 30, 2019, prior to the PHMSA inspection.

Prior to implementation of the written Operator Qualification plan, WRB utilized an extensive and detailed training program for operations and maintenance personnel, however, it did not formally align with 195.505 requirements in entirety until April 2019.

Records reviewed during the inspection for abnormal operations (AO's) from February 2017 thru July 2020 revealed zero events attributed to "operator error", indicative of a successful training program.

PROPOSED COMPLIANCE ORDER

1. In regard to Item Number 1, pertaining to pressure testing prior to operation, WRB must develop a plan and execute a hydrotest in accordance with Subpart H of CFR 195 for all Tank A82, A83 and A84 fill lines within 180 days of receipt of the Final Order. WRB shall update Central Region at least every 90 days until completion. WRB shall submit all documentation to the Director of Central Region upon completion of the mandated compliance actions.
2. It is requested (not mandated) that WRB maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to Gregory A. Ochs, Director, Central, Pipeline and Hazardous Materials Safety Administration. It is requested that these costs be reported in two categories: 1) total cost associated with preparation/revision of plans, procedures, studies and analyses, and 2) total cost associated with replacements, additions and other changes to pipeline infrastructure.

WRB Response:

WRB has completed the hydrotesting requirement in item #1 listed above. Tank A82 fill line piping was successfully hydrostatically tested on 4-12-2021. Tank A83 fill line piping was successfully hydrostatically tested on 5-13-2021. Tank A84 fill line piping was successfully hydrostatically tested on 6-4-2021. Documentation associated with each hydrostatic test will be provided upon request or as directed by the final Compliance Order.

Proposed Civil Penalty Request:

WRB Response:

Regarding Item #4 and the proposed civil penalty of \$46,000, we request that the proposed civil penalty be withdrawn or reduced for the following reasons. As stated in the NOPV, the matter was identified by PHMSA during the inspection as a concern for years prior to the inspection. However, WRB addressed the concern prior to the inspection. Further, WRB had an integrity program in place during the time in question as described in the response to Item #4 above. As a result of the program in place and the safety commitment of WRB, there was not an accident, safety or environmental, associated with

the matter. We recognize the statutory amounts that apply to violations, but the proposed civil penalty seems excessive when there were no damages or impact on the environment and the matter was corrected before the inspection.

WRB takes excellent care in maintaining a safe workplace including our commitment to safety management, protecting our employees, protecting the community around us. On behalf of WRB Refining LP and Phillips 66 Company, we respectfully request your consideration to withdraw or lower the proposed penalty.

As this was our first PHMSA inspection at WRB Refining LP, I want to thank your team for their professionalism and cooperation throughout the inspection. Please let me know if you have any questions or comments regarding this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'G Knoyle', written in a cursive style.

Gerald Knoyle
Vice President, Wood River Refinery

CC: Todd Denton/Phillips 66
Doug Sauer/Phillips 66